

UNITED STATES CIVIL SERVICE COMMISSION  
BUREAU OF RETIREMENT AND INSURANCE  
WASHINGTON 25, D.C.

ADDRESS REPLY TO  
"U.S. CIVIL SERVICE COMMISSION"  
AND REFER TO

FILE

AND DATE OF THIS LETTER

July 10, 1961

Attached for your information is a copy of a letter which I have sent to all carriers of plans approved for participation in the Federal Employees Health Benefits Program. The letter sets forth the Civil Service Commission's policy on participating carriers advertising their plans or soliciting enrollment in them by Federal employees.

*Andrew E. Ruddock*  
Andrew E. Ruddock  
Director

Enclosure:

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July 7, 1961

As we approach the open season, I would like to remind each carrier of our contract agreement (and section 89.12(d) of the regulations) not to advertise your plan or your participation in the Federal Employees Health Benefits Program, or to solicit enrollment of Federal employees in your plan, other than in accordance with the Commission's instructions.

It is not our intention to censor news stories and articles about the Program. It is our purpose to have employees select plans based on accurate and complete information such as is contained in the brochures and to assure that if any promotional material does reach Federal employees, it is also accurate, complete and unbiased. We also wish to prevent carriers from advertising to the public their participation in the Program, as this may connote to the public a distinction in desirability between carriers approved for the Program and those not approved, which does not necessarily exist.

Therefore, carriers may not issue for Federal employee consumption case examples or other direct or indirect comparisons of one plan with another. They may not use any form of paid advertising which refers to or suggests participation in the Federal Employees Health Benefits Program. Any instance of advertising or solicitation which would be a violation of contract if sponsored by a carrier will also be considered a violation if sponsored by an affiliate of the carrier or by any other person or group under circumstances which indicate subterfuge.

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A carrier is not prohibited from publishing unbiased, factual explanations of its own plan in any periodical customarily distributed to all persons enrolled in the plan, so long as such explanation (1) does not make comparisons with or unfavorable references to other plans, and (2) makes positive reference to an employee's right to consider all available plans and choose the one he deems best for himself and his family. If a carrier contemplates such a release, this Bureau will be glad to consult on any proposed publication. The cost of such publication will not be allowable as an administrative expense against the contract.

I believe that if the rules laid down above are conscientiously followed by all carriers, we will be able to give all employees sufficient information to make an informed choice and do so in a factual and impartial manner, avoiding expensive selling campaigns. Strict adherence to these rules will avoid the problems which arose at the beginning of the Program. Violations will receive immediate attention, and may result in withdrawal of Commission approval of a carrier.

Sincerely yours,

*Andrew E. Ruddock*

Andrew E. Ruddock  
Director